PLEASE NOTE: In most \underline{BUT} NOT \underline{ALL} instances, the page and line numbering of bills on this web site correspond to the page and line numbering of the official printed version of the bills.

REFERENCE TITLE: state automation; telecommunications; budget.

State of Arizona Senate Forty-seventh Legislature First Regular Session 2005

SB 1526

Introduced by
Senators Burns, Bee, Bennett, Blendu, Huppenthal: Jarrett, Martin,
Tibshraeny (with permission of committee on Rules)

AN ACT

CHANGING THE DESIGNATION OF TITLE 41, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, TO "AUTOMATION AND TELECOMMUNICATIONS FUNCTIONS"; AMENDING SECTION 41-711, ARIZONA REVISED STATUTES; TRANSFERRING AND RENUMBERING SECTION 41-798, ARIZONA REVISED STATUTES, FOR PLACEMENT IN TITLE 41, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, AS SECTION 41-712; AMENDING SECTION 41-712, ARIZONA REVISED STATUTES, AS TRANSFERRED AND RENUMBERED BY THIS ACT; AMENDING SECTION 41-713, ARIZONA REVISED STATUTES; REPEALING SECTION 41-801, ARIZONA REVISED STATUTES; RELATING TO STATE AUTOMATION AND TELECOMMUNICATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

- i -

Be it enacted by the Legislature of the State of Arizona:

Section 1. <u>Heading change</u>

The article heading of title 41, chapter 4, article 2, Arizona Revised Statutes, is changed from "AUTOMATION FUNCTIONS" to "AUTOMATION AND TELECOMMUNICATIONS FUNCTIONS".

Sec. 2. Section 41-711, Arizona Revised Statutes, is amended to read: 41-711. Establishment of automation operation center; fund; report

- A. The department may establish an automation operation center to serve the management and other needs of state government.
- B. AN AUTOMATION OPERATIONS FUND IS ESTABLISHED FOR PAYING FOR THE COSTS OF ANY AUTOMATION OPERATION APPLICATIONS IMPLEMENTED BY THE DEPARTMENT AND OTHERWISE ALLOWED BY LAW.
 - C. THE FUND CONSISTS OF:
 - 1. LEGISLATIVE APPROPRIATIONS.
- 2. GRANTS, EXCEPT FOR OTHERWISE SPECIFICALLY DEDICATED GRANTS, RECEIVED FOR AUTOMATION OPERATIONS, CONSOLIDATION AND COST REDUCTION OR COST AVOIDANCE FUNCTIONS.
- 3. MONIES DERIVED FROM IMPLEMENTING AND OPERATING AN AUTOMATION PROGRAM.
 - 4. MONIES DERIVED FROM THE SALE OR EXCHANGE OF AUTOMATION ASSETS.
- 5. MONIES DERIVED FROM AGENCIES AND POLITICAL SUBDIVISIONS AND OTHER STATES OR THEIR AGENCIES IN PAYMENT FOR SERVICES PROVIDED BY THE DEPARTMENT'S AUTOMATION OPERATION CENTER.
- D. THE DEPARTMENT OF ADMINISTRATION SHALL ADMINISTER THE FUND. SEPARATE ACCOUNTS SHALL BE ESTABLISHED TO ACCOUNT FOR MONIES RECEIVED AND SPENT PURSUANT TO AUTOMATION AGREEMENTS WITH OTHER STATES OR THEIR AGENCIES OR THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION IN FULFILLMENT OF AN AGREEMENT ENTERED INTO PURSUANT TO SECTION 36-2925. THE SEPARATE ACCOUNTS ARE CONTINUOUSLY APPROPRIATED FOR THE PURPOSES SPECIFIED IN THE AGREEMENTS. ALL OTHER MONIES IN THE FUND ARE SUBJECT TO ANNUAL LEGISLATIVE APPROPRIATION TO THE DEPARTMENT.
- E. IN CONNECTION WITH ITS ANNUAL BUDGET REQUEST TO THE LEGISLATURE, THE DEPARTMENT SHALL PREPARE A REPORT THAT ACCOUNTS FOR ALL MONIES DEPOSITED IN THE FUND, THE SOURCES OF THE MONIES RECEIVED FOR DEPOSIT, THE PURPOSES FOR WHICH THE FUND MONIES WERE USED DURING THE PRECEDING FISCAL YEAR AND THE PLANS FOR USING FUND MONIES DURING THE NEXT FISCAL YEAR.
- F. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.
- Sec. 3. Section 41-798, Arizona Revised Statutes, is transferred and renumbered for placement in title 41, chapter 4, article 2, Arizona Revised Statutes, as section 41-712 and, as so renumbered, is amended to read:
 - 41-712. <u>Telecommunications program office; state contractor;</u> cost of operation; employees; report

A. The director shall ESTABLISH A TELECOMMUNICATIONS PROGRAM OFFICE WITHIN THE DEPARTMENT TO enter into a primary contract with a corporation

- 1 -

authorized to do business in the THIS state of Arizona for THE CONTRACTOR TO PROVIDE FOR the installation, AND maintenance and operation of part or all of telecommunication systems and to furnish full and complete ACT AS THE STATE'S AGENT FOR telecommunication service CARRIER SERVICES to the state of Arizona and its officers, OFFICES, departments and agencies through such telecommunication systems that are operationally required OF THIS STATE. EACH OFFICE, DEPARTMENT AND AGENCY OF THIS STATE SHALL CONTRACT WITH THE PRIMARY CONTRACTOR THROUGH THE TELECOMMUNICATIONS PROGRAM OFFICE AND MAKE PAYMENT TO THE PRIMARY CONTRACTOR FOR ITS TELECOMMUNICATIONS NEEDS. THE DEPARTMENT SHALL SUBMIT FOR REVIEW BY THE JOINT LEGISLATIVE BUDGET COMMITTEE ITS INITIAL CONTRACTOR AND CARRIER COST RATE STRUCTURE BY AGENCY AND FUND TYPE AND SHALL SUBMIT A REQUEST FOR REVIEW TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR EACH SUBSEQUENT RATE STRUCTURE MODIFICATION.

- B. The director shall manage the telecommunication systems provided in subsection A PAY ADMINISTRATIVE COSTS OF THE TELECOMMUNICATIONS PROGRAM OFFICE and each office, department or other state agency shall pay from available funds MONIES the proportionate cost of the service ADMINISTRATION OF THE OFFICE as determined by the director. In carrying out the provisions of this subsection, the director may SHALL ONLY employ THOSE CONTRACT MANAGERS, telephone operators, or any other employees HELP DESK PERSONNEL AND FORENSIC INVESTIGATORS required to OVERSEE THE PRIMARY CONTRACT AND administer efficiently the telecommunication systems TELECOMMUNICATIONS PROGRAM OFFICE.
- C. THE DEPARTMENT SHALL PREPARE AND SUBMIT AN ANNUAL CONSOLIDATED TELECOMMUNICATIONS BUDGET REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE IN CONNECTION WITH ITS ANNUAL BUDGET REQUEST SHOWING THE PREVIOUS FISCAL YEAR'S ACTUAL PAYMENTS AND THE NEXT FISCAL YEAR'S ANTICIPATED PAYMENTS CHARGED AND RECEIVED BY THE PRIMARY CONTRACTOR FROM STATE OFFICES, DEPARTMENTS AND AGENCIES FOR TELECOMMUNICATIONS SERVICES.
- C. D. All procurement pursuant to this section shall be as prescribed in chapter 23 of this title unless otherwise provided by law.
- D. E. Any contract involving the use of a state highway right-of-way is subject to approval pursuant to sections 28-304, 28-363, 28-7045, 28-7048 and 28-7209.
 - Sec. 4. Section 41-713, Arizona Revised Statutes, is amended to read: 41-713. Telecommunications fund; report
 - A. A technology and telecommunications fund is established for:
- $\frac{1.}{1.0}$ paying costs incurred in operating the telecommunications $\frac{1.}{1.0}$ PROGRAM OFFICE established $\frac{1.}{1.0}$ PURSUANT TO SECTION $\frac{41-798}{1.0}$ and $\frac{41-801}{1.0}$
 - 2. Paying costs incurred for out-of-state communications.
- 3. Funding the enhancement and extension of Arizona telecommunications systems including any transmission of voice, data, video or graphics images.
- 4. Funding the acquisition of technology equipment for telecommunications, automation and information to achieve optimum

- 2 -

effectiveness, economy and productivity in collecting, storing, interchanging, retrieving, processing, transmitting and securing information.

- B. The fund consists of:
- 1. Legislative appropriations.
- 2. Grants, except for otherwise specifically dedicated grants, received for telecommunication and automation operations, consolidation and cost reduction or cost avoidance functions.
- 3. Monies derived from implementing and operating a ADMINISTERING THE telecommunications and automation program OFFICE.
- 4. Monies derived from the sale or exchange of telecommunications and automation assets or any assets that may be used to provide telecommunication access.
- 5. Monies derived from agencies and political subdivisions and other states or their agencies in payment for services provided by Arizona THE telecommunications systems or the department's automation operation center PROGRAM OFFICE ESTABLISHED PURSUANT TO SECTION 41-712.
- C. The department of administration shall administer the fund. Separate accounts shall be established to account for monies received and spent pursuant to agreements with other states or their agencies or the Arizona health care cost containment system administration in fulfillment of an agreement entered into pursuant to section 36-2925. The separate accounts are continuously appropriated for the purposes specified in the agreements. All other monies in the fund are subject to ANNUAL legislative appropriation to the department.
- D. In connection with its annual budget request to the legislature, the department shall prepare a report that accounts for all monies deposited in the fund, the sources of the monies received for deposit, the purposes for which the fund monies were used during the preceding fiscal year and the plans for using fund monies during the next fiscal year.
- E. Monies in the fund are exempt from the provisions of section 35-190 relating to lapsing of appropriations.

Sec. 5. Repeal

Section 41-801, Arizona Revised Statutes, is repealed.

- 3 -

Sec. 6. <u>Transfer of monies: technology and telecommunications</u> fund

- A. On the effective date of this act, eight per cent of the unencumbered balance of the state monies in the technology and telecommunications fund is transferred to the telecommunications fund established by section 41-713, Arizona Revised Statutes, as amended by this act, and ninety-two per cent of the unencumbered balance of the state monies and all federal monies in the technology and telecommunications fund are transferred to the automation operations fund established by section 41-711, Arizona Revised Statutes, as amended by this act.
- B. The department of administration shall continue to administer the provisions of the technology and telecommunications fund until all encumbrances are satisfied.

Sec. 7. Retroactivity

This act is effective retroactively to from and after June 30, 2005.

- 4 -